

# **Environmental Cooperation Agreement Between Northern Engraving Corporation and Wisconsin Department of Natural Resources**

This Agreement is being entered into, pursuant to sec. 299.80 Wisconsin Statutes and represents the negotiated and agreed to conditions agreed upon by Wisconsin Department of Natural Resources (WDNR) and Northern Engraving Corporation (NEC), for the purpose of providing an alternative method for the regulation of environmental impacts from Northern Engraving Corporation

FOR AND IN CONSIDERATION of the terms and conditions contained in this agreement, WDNR and Northern Engraving Corporation set forth the following:

WHEREAS, Northern Engraving Corporation ("NEC") is a manufacturer with multiple facilities and affiliated companies located in Wisconsin, Iowa and Minnesota.

WHEREAS, the Wisconsin Department of Natural Resources ("WDNR") is a duly organized agency of the State of Wisconsin created pursuant to Wis. Stat. § 15.34.

WHEREAS, the WDNR has been legislatively delegated authority to regulate, among other things, air pollution, hazardous waste, solid waste, recycling, water pollution, and sewage within the State of Wisconsin. This authority having been delegated pursuant to Wis. Stat. §§ 281.12, 285.11, 285.13, 289.06, 289.07, 291.09 and 291.11, among other statutes.

WHEREAS, the WDNR has been delegated, authorized or otherwise approved by the federal government to implement all or a significant portion of the following federal programs:

- The Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq.;
- The Solid Waste Disposal Act, as amended, 42 U.S.C § 6901 et seq; and
- The Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.

WHEREAS, the WDNR has consulted with and obtained concurrence from the United States Environmental Protection Agency ("EPA") over the terms and conditions set forth in this Agreement as well as the procedural mechanisms necessary to effectuate any experimental changes to federal programs, or federally approved state programs, which may be required as a result of this Agreement.

WHEREAS, the WDNR has entered a Memorandum of Agreement with the EPA dated March 25, 1999 entitled "Implementation of the Joint State/EPA Agreement to Pursue Regulatory Innovation and the Wisconsin Environmental Cooperation Pilot Program" (the "Joint State/EPA Agreement"). Among other things, the Joint State/EPA Agreement defines how WDNR and EPA will develop, implement and pursue enforcement against participants in the Wisconsin Environmental Cooperation Pilot Program (the "Program").

WHEREAS, WDNR and EPA assent in the Joint State/EPA Agreement that the innovation and experimental methods set forth in agreements such as this, inherently involve some risk of failure. Regardless, the WDNR

and EPA have agreed to promote innovations at all levels of environmental regulation, through agreements such as this, to increase the efficiency and effectiveness of the environmental programs each implements.

WHEREAS, the WDNR and NEC have entered into this Agreement pursuant to Wis. Stat. § 299.80 to allow the WDNR, EPA and NEC to implement and evaluate innovative environmental regulatory methods.

WHEREAS, this Agreement seeks to grant NEC greater flexibility than would otherwise be allowed under current federal and state environmental programs, including but not limited to those implemented pursuant to Wis. Stat. ch. 280 through 295 and the rules promulgated thereunder.

WHEREAS, the WDNR and NEC seek to reduce the time and resources they each spend on paperwork and other administrative tasks related to environmental regulation that do not result in benefits to the environment.

WHEREAS, the WDNR and NEC acknowledge that each is entering into this Agreement on a voluntary basis.

WHEREAS, the WDNR recognizes that the main goal in the Wisconsin Environmental Cooperation Pilot Program, Wis. Stat. § 299.80, is to establish a collaborative process involving business, government and the public in order to reach consensus that is a "win" for each sector.

WHEREAS, the WDNR and EPA have entered the Joint State/EPA Agreement whereby each assents that this Agreement must be implemented to meet the following goals:

- Provide at least the same level of protection of public health and the environment as current regulations.
- Encourage systematic assessment of direct and indirect environmental impacts of the facilities covered by this Agreement.
- Encourage efficiency and cost effective, verifiable pollution reduction strategies.
- Encourage superior environmental performance, minimize transfers of waste and achieve a balance among economic, social and environmental impacts.
- Recognize and reward leading companies in the area of environmental performance.
- Encourage the transfer of information.
- Consolidate environmental permitting and approval requirements.
- Grant regulatory flexibility in the environmental area.
- Reduce government and facility transaction costs for paperwork and other administrative tasks.
- Encourage public participation and consensus.
- Improve public information and access to environmental performance information.
- Encourage facilities to work with communities.
- Increase trust among government, facility owners/operators and the public.

WHEREAS, the WDNR and EPA have entered the Joint State/EPA Agreement whereby EPA assents that when federal action is necessary for implementation of an innovation under this Agreement, EPA will promptly determine what is required in order to take such action and take that action.

WHEREAS, the WDNR and EPA have entered the Joint State/EPA Agreement whereby EPA commits to consult with WDNR before taking any regulatory or enforcement action concerning NEC so long as NEC is operating pursuant to this Agreement.

WHEREAS, the WDNR and EPA have entered into the Joint State/EPA Agreement whereby each assents that the Program provides for waivers, variances and modifications to the existing regulations, policies, guidance and practices of traditional environmental programs.

WHEREAS, EPA and WDNR have entered the Joint State/EPA Agreement acknowledging that to the extent this Agreement affects requirements under a federally-authorized or delegated program, the requirements of this Agreement replace those previously in affect under such programs and this Agreement becomes the requirement applicable to and legally binding upon NEC.

THEREFORE, in reliance upon the foregoing, including the State and EPA commitments in the Joint State/EPA Agreement, and in consideration of the terms and conditions set forth in this Agreement, as well as other valuable considerations having been duly received, the WDNR and NEC enter into this Agreement pursuant to Wis. Stat. § 299.80 for the purpose of providing alternative methods for the regulation of environmental impacts from covered NEC facilities. In furtherance of this Agreement, the parties agree to the following contents of this agreement.

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3. [Draft Specific Permit Conditions under the Environmental Cooperative Agreement for NEC's Sparta facility \(PDF, 202KB\)](#)
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## **I. FACILITY INFORMATION:**

Northern Engraving Corporation (NEC) is a medium sized, privately held, family owned nameplate manufacturer with multiple facilities and affiliated companies located in Wisconsin, Iowa and Minnesota. Their customers vary widely in size and conduct business both in the USA and internationally.

Northern Engraving Corporation  
803 South Black River Street  
Sparta, WI 54656  
**FID# 642025010**

Northern Engraving Corporation  
1023 Sand Lake Road  
Holmen, WI 54636  
**FID# 63200970**

### **Contacts:**

Bruce Corning  
VP Management Systems  
(608) 269-6911 Ext. 481

Randy Nedrelo  
Solid and Hazardous Waste Manager  
(608) 269-6911 Ext. 281

Northern Engraving manufactures nameplates and other industrial decoratives, using plastic and aluminum as the primary substrates. Presently Northern Engraving operates five manufacturing facilities in Wisconsin and Iowa. In addition there are several locations that provide support services to these manufacturing facilities. Northern Engraving has had active waste minimization/pollution prevention since 1988, having received recognition for its efforts on several occasions. Included is the Governor's Award for Excellence in Hazardous Waste Reduction in 1991 and 2000 and a P/E/P Award in 1994.

### **Sparta**

The Sparta site is located at 803 Black River Street, Sparta, Wisconsin, a community consisting of roughly 8,000 residents. The site includes a manufacturing facility and the corporate offices. Northern Engraving, Sparta achieved ISO 14001 registration in March of 1999 and ISO 9001 registration in March of 2000. The manufacturing facility currently produces decorated aluminum nameplates among other things. A variety of processes are used in the manufacturing process, including spraying, roll coating, screen printing, lithographic printing, metal preparation, punch press, and assembly.

Sparta is located in an area that is classified as attainment ("Nonattainment area" means an area identified by the department in a document prepared under s. 285.23 (2), where the concentration in the atmosphere of an air contaminant exceeds an ambient air quality standard.) In 1995 Northern Engraving Sparta submitted a Part 70 Operation Permit application. On September 22, 1999 Northern Engraving submitted a draft proposal to the Department of Natural Resources that would consider them for the Environmental Cooperative Compliance Program (ECCP). Because of substantial reduction in Volatile Organic Compounds (VOCs) emissions and Hazardous Air Pollutants (HAPs), Northern Engraving Corporation revised its application in 2000, requesting limits be established for a Synthetic Minor, Non-Part 70 source under the ECCP. Currently the roll coating and metal spraying processes are subject to RACT requirements.

### **Holmen**

The Holmen site is located at 1023 Sand Lake Road, Holmen, Wisconsin, a community of roughly 5,000 residents. It currently consists of a manufacturing facility that produces decorated plastic nameplates and decals among other things.. The facility employs roughly 250 people, making it the second largest employer in Holmen. A variety of processes are used in the manufacturing process, including roll coating, screen - printing, lithographic printing, punch press, and assembly.

Holmen is located in an area that is classified as attainment for all criteria pollutants. In 1995 Northern Engraving Holmen submitted a Synthetic Minor, Non-Part 70 Operating Permit application. The Holmen facility was included as a participant in the September 22, 1999 draft proposal for the ECCP.

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## **II. DEFINITIONS.**

The following definitions are applicable to this Agreement:

1. "Approval" means a permit license or other approval issued by the WDNR under chapters 280-295.
2. "Cooperative agreement" means this agreement entered into by the WDNR and NEC under section 299.80(6), Wis. Statutes.
3. "Environmental management system" means an organized set of procedures implemented by the owner or operator of a facility to evaluate the environmental performance of the facility and to achieve measurable or noticeable improvements in that environmental performance through planning and changes in the facility's operations.
4. "Environmental performance" means the effects whether regulated under chapters 280 to 295 or unregulated, of a facility on air, water, land, natural resources and human health.
5. "Facility" means all buildings equipment and structures located on a single parcel or on adjacent parcels that are owned or operated by NEC.
6. "Interested person," means a person who is or may be affected by the activities at a facility that is covered or proposed to be covered by a cooperative agreement or a representative of such a person.
7. "Performance evaluation" means a systematic, documented and objective review conducted by or on behalf of the owner or operator of the facility including an evaluation of compliance with the cooperative agreement covering the facility, approvals that are not replaced by the cooperative agreement and the provision of chapters 280 to 295 and rules promulgated under those chapters for which a variance is not granted.
8. "Pollutant" means any of the following: any dredged spoil, solid waste, incinerator residue, sewage, garbage, refuse, oil, sewage sludge, munitions, chemical wastes, biological materials, radioactive

substance, heat, wrecked or discarded equipment, rock, sand, cellar dirt, or industrial, municipal, or agricultural waste discharged into water or onto land. Any dust, fumes, mist, liquid, smoke, other particulate matter, vapor, gas odorous substance or any combination of those things emitted into the air but not uncombined water vapor.

9. "Violation" means a violation of a cooperative agreement, of an approval that is not replaced by the cooperative agreement or of a provision of chapters 280 to 295 and rules promulgated under those chapters for which a participant has not received a variance.

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### **III. PERIOD OF AGREEMENT.**

1.) This agreement shall commence, subject to its signing by both parties on June 10, 2002 and continue until June 10, 2007 and continue until [date 5 years hence] during which period NEC and the WDNR shall abide by all terms and conditions contained herein.

2.) This Agreement may be extended for one additional five year period by following the procedures and obtaining the approvals set forth in Wis. Stat. § 299.80(6e).

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### **IV. AMENDMENT/REVOCATION OF THE AGREEMENT**

This Agreement applies only to the facilities listed in Section I of the agreement, however, WDNR and NEC agree that newly acquired NEC facilities may be considered under the terms of this agreement. The DNR recognizes that Northern Engraving Galesville and Northern Automotive Systems facilities, sharing ownership with NEC, may be included under the provisions of agreement as an amendment, following a formal request by the company, a review of the facility(s) by department staff and discussion of environmental issues to be included. Inclusions of other NEC facilities may be as amendments to this agreement or as a separate agreement determined by both parties.

1.) NEC and WDNR may amend this Agreement upon mutual consent.

The Department may revoke the agreement if NEC is in substantial noncompliance, refuses to amend this agreement, are unable or unwilling to meet commitments to superior environmental performance or have not addressed a substantive issue raised by a majority of the interested persons. (s. 299.80 (7), Wis. Statutes)

2.) The WDNR may amend this Agreement for cause, including any of the following: (1) a change in federal or state environmental laws which necessitate amendment; (2) a violation of this Agreement; or (3) discovering that this Agreement was obtained by misrepresentation or failure to fully disclose all relevant information.

3.) The DNR shall provide at least 30 days for public comment on the proposed amendment or revocation of this cooperative agreement if comments demonstrate considerable public interest in the proposed action. Alternatively, the WDNR may revoke this Agreement, after an opportunity for a hearing, if it finds any of the substantive issues set forth in s. 299.80(7)(c)(2), Wis. Statutes. If the WDNR makes such a finding and revokes this Agreement, such decision shall be considered a final decision for purposes of review under Chapter 227, Wis. Statutes and it shall contain the items enumerated in s. 299.80(7)(c)3 , Wis. Statutes.

4.) Nothing in this Agreement shall be deemed a waiver of NEC's constitutional protections, including, but not necessarily limited to, NEC's rights to substantive and procedural due process, equal protection under law, or the taking of property right.

5.) In the event that this Agreement is revoked, NEC shall resume operations under the conditions stated in Part I B. of Appendix C. Specific Permit Conditions.

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## **V. ENTIRE AGREEMENT.**

1.) This agreement, together with any specifications, referenced parts attachments and effective amendments, shall constitute the entire agreement. Communications or understandings made prior to the signing of this agreement and pertaining to its subject matter are hereby superseded. All revisions to this agreement must be made by a written amendment to this agreement, signed by WDNR and NEC and issued under the same procedures as this agreement.

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## **VI. APPROVALS COVERED.**

1.) This agreement serves to cover the following permit conditions and or approvals currently required for the Northern Engraving Sparta and Holmen facilities. Full revisions of existing air permits have been provided which include that part (Part I A. Appendix C.), that will reflect conditions NEC will be operating by while under the agreement.

### **Air Quality Permits**

#### **SPARTA -**

##### ***Sparta - LACT Permit Requirements:***

*Process P30: Permit 642025010-N01 Condition: I.A.2. Specific Emission Limitation for VOCs*

*EOP-10-KJC-83-42-077 Condition: I.A.5. Specific Emission Limitation for VOCs*

*Process P37: Permit 92-POY-068 Condition: I.B. Specific Emission Limitation for VOCs*

*EOP-10-KJC-83-32-077A Condition I.A.4. Specific Emission limitation for VOCs*

*EOP-10-KJC-83-32-077 Condition I.A.8. Specific Emission Limitation for OCs*

*Process P57: Permit 64025010-N01 Condition I.A.1. Specific Emission Limitation for Ocs*

*Process P91: Permit 93-IRS-040 Condition I.D.1. Specific Emission Limitation for VOCs*

##### ***Sparta - Daily Record keeping Requirements***

*Permit 92-POY-157 Conditions I.I.A.2.b., I.I.A.2.f., I.I.A.2.g., I.I.C.2.b., I.I.C.2.f., and I.I.C.2.g.*

*Permit 91-POY-088 Conditions I.I.A.2.b., I.I.A.2.d., and I.I.A.2.e.*

*Permit 93-IRS-040 Condition I.I.F.2.b.*

#### **Holmen Facility**

***Holmen - LACT Permit Requirements:***

*Process P03: Permit 91-POY-126 Condition: I.D.1. Specific Emission limitation for VOCs*

*Process P08: Permit 91-POY-126 Condition: I.E.1. Specific Emission Limitation for VOCs*

*Process P09: Permit: 91-POY-126 Condition: I.A.1. Specific Emission Limitation for VOCs*

Alteration EOP-10-KJC-83-32-081 dated May 27, 1987 for PSMG-04, PSO-21H, PSO-11-H, PSO-12-H, PSO-18-H and PSO-19-H

*Alteration of EOP-10-JKC-83-32-081 dated February 12, 1985*

*Condition: I.A.44.Emission Limitation for Organic Compounds and I.A.50.Emission Limitation for Organic Compounds*

*EOP-10-JKC-83-32-081 Condition: I.A.38. Emission Limitation of Organic Compounds, I.A.39. Emission Limitation of Organic Compounds, I.A.42. Emission Limitation for Organic Compounds*

***Holmen - Daily Record keeping Requirements***

*Permit 91-POY-126 Condition I.II.5.*

*Alteration of permit EOP-10-KJC-83-32-081 dated 2/20/90 Condition I.B.13.*

This agreement only covers those conditions stated in Part I A. of the Specific Permit Conditions (Appendix C) for the Sparta and Holmen facilities.

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**VII. INTERESTED PERSONS GROUP.**

NEC agrees to facilitate development of an interested persons group. NEC may elect to form one interested persons group that would involve several representatives from each community or one interested persons group for each facility with representatives from that community where the facility is located. NEC will provide information to the department on efforts to establish such groups. The interested persons group(s) will consist of 6-8 participants, representing all the geographical locations of NEC facilities covered by this agreement. The participants in the group will be selected from the following groups or criteria:

1. The interested persons group will include individuals whose residence or place of business is located in county occupied by a NEC facility covered by this agreement. This may include but is not limited to local schools officials, local and/or state officials, County Board Members, Local Emergency Planning Commissions, NEC employees, representatives from local conservation groups, if necessary, and any other organization, individual, or industry representative that may provide valuable input to such group.
2. Membership in the interested persons group will be by invitation only. Participants will be provided no monetary or other compensation for being a member of this group.
3. NEC will commit to resolving substantive issues raised by members of the interested persons group and supported by a majority.



4. Meetings of the interested persons group will be coordinated by NEC and scheduled on a semi-annual basis, unless NEC and Interested Persons may agree to additional meetings where necessary. The interested persons group will be provided an overview of the environmental performance of the covered NEC facilities. The interested persons group will be provided opportunities to comment on NEC's environmental management system, performance evaluations, and other proposed changes by NEC facilities covered under this agreement

5. For each of its covered facilities, NEC will provide an overview of its current environmental objectives and targets and the current environmental programs for achieving those objectives and targets.

6. NEC will provide summary of the interested person's group and related activities in its annual performance evaluation (Section XII). Individual members of the interested persons group will be solicited and encouraged to provide input and suggestions into NEC's efforts regarding its environmental performance. NEC representatives will consider and respond to issues raised by the group. These responses will come in the form of written correspondence and/or further meetings with the group and/or discussions with individual member(s).

7. It is anticipated that many public comments concerning NEC's participation in this Agreement will be solicited during interested persons group meetings or other meetings with community groups. Minutes of these meetings shall be compiled which will include, among other things, a summary of the public comments that were raised. Responses to those comments will be appended to the minutes for easy reference. A copy of these documents shall be made publicly available at NEC offices, local public libraries and other community institutions mutually agreed upon by the interested person's group and NEC.

WDNR has followed the procedures set forth in Wis. Stat. § 299.80(8) before proposing issuance of this Agreement. The interested persons group has been involved in the drafting of this Agreement and the negotiation process between WDNR and NEC. The group has been provided the opportunity to discuss concerns with the Agreement and suggest revisions thereto. This final Agreement reflects the consensus of those negotiations and the input of, among others, the interested persons group.

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## **VIII. COMMITMENT TO ENVIRONMENTAL MANAGEMENT SYSTEM.**

### ***Sparta***

1.) NEC agrees to maintain an ISO 14001 registered Environmental Management System (EMS) at this facility.

2.) NEC will retain an accredited ISO 14001 third-party auditor to ensure this EMS is maintained in conformance with the current ISO14001 standard. NEC will continue to utilize their EMS process to identify and prioritize environmental aspects and to assist in setting environmental objectives and targets (goals). NEC will meet at regular intervals, in accordance with the provisions of its EMS, to review progress toward accomplishing the objectives and targets.

### **Holmen Facility**

3.) NEC agrees to develop Environmental Objectives and Targets, along with the associated Environmental Programs by December 31, 2002 and to achieve ISO 14001 registered for its EMS at the Holmen facility by

December 31, 2003. NEC also agrees to retain an accredited ISO 14001 third-party auditor at the Holmen facility for the duration of the agreement.

**IX. COMMITMENT TO SUPERIOR ENVIRONMENTAL PERFORMANCE.**

NEC agrees to pursue superior environmental performance while achieving a balance between economic, social and environmental impacts from its efforts. NEC commits to continual improvement in environmental performance by annually reassessing its environmental aspects and setting new objectives for improvement. Over the long term they will achieve measurable improvements in its environmental performance through the improved utilization of natural resources.

This agreement serves to test the effectiveness of an Environmental Management System, designed under ISO 14001 requirements, on identifying and finding solutions to those aspects that have the most significant impacts on the environment.

NEC and WDNR recognize as part of this agreement, past voluntary environmental achievements back to January 1996. NEC and WDNR also realize that in some cases increments to environmental improvement will be smaller due to the large reductions accomplished by the company since 1996. NEC and WDNR agree that further improvement can be achieved and that any improvements to environmental protection obtained during the course of negotiating this agreement will be considered as part of this agreement and will be included as part of the initial performance of this agreement partly due to NEC's ongoing efforts.

NEC commits to going beyond, what would otherwise be required in environmental regulations, by agreeing to the following:

Refer to PART I. A. of Specific Permit Conditions (Appendix C). The following applies to each facility and their location unless otherwise noted as different.

**Sparta and Holmen Facilities**

Hazardous Air Pollutant Emissions Limitations	<p>(1) For each facility, the emissions of each hazardous air pollutant regulated pursuant to § 112(b) of the Clean Air Act shall be less than 8 tons per year as averaged over each 12 consecutive month period. [s. 299.80(4)(b), Wis. Stats.] [s. 285.65(7), Wis. Stats.]</p> <p>2. For each facility, the emissions of each hazardous air pollutant regulated pursuant to § 112(b) of the Clean Air Act combined shall be less than 20 tons per year as averaged over each 12 consecutive month period. [s. 299.80(4)(b), Wis. Stats.] [s. 285.65(7), Wis. Stats.]</p> <p><b>Annual Emissions Inventory</b></p>
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<p>Volatile Organic Compound Emissions Limitations</p>	<p>The total volatile organic compound emissions from the facility may not exceed 85 tons per year as averaged over each 12 consecutive month period. [s. 299.80(4)(b), Wis. Stats and s. 285.65(7), Wis. Stats.]</p> <p><b>Annual Emissions Inventory</b></p>
<p>Implementation of ISO 14000 certified Environmental Management System</p>	<p>NEC currently implements an ISO 14001 registered EMS at the Sparta facility. NEC commits to continue implementing the EMS and revising its provisions, to the extent necessary, to meet standards issued by the International Organization for Standardization.</p> <p>NEC agrees to implement an EMS at the Holmen facility. NEC further agrees to develop Environmental Objectives and Targets, along with the associated Environmental Programs by December 31, 2002 and to achieve ISO 14001 certification for its EMS at the Holmen facility by December 31, 2003.</p> <p>Annual performance reports will be submitted to the Department and offered to the Interested Persons group for review.</p>
<p>Improved utilization of natural resources.</p>	<p>NEC agrees to, in conformance with its EMS, annually reassess its environmental aspects and develop environmental objectives and targets. NEC further agrees to develop environmental programs to achieve its environmental targets.</p> <p>Over the long term, through improved utilization of natural resources, NEC has achieved reductions in emissions to the air and water, in wastes generated and in the use of energy.</p> <p><b>Annual Performance Report</b></p>
<p>NEC will participate in the baseline data collection protocol for the UNC.</p>	<p>NEC has participated in the survey. NEC will continue to participate in the UNC protocol as needed.</p> <p>NEC has also submitted the EMS design information to UNC.</p>
<p>Record Keeping, Monitoring, and Reporting</p>	<p>NEC and WDNR will work to reduce administrative burdens through the use of simplified record keeping, monitoring and reporting as described in Part I A. of each facility's Specific Permit Conditions.(Appendix C)</p>
<p>Information Sharing</p>	<p>NEC commits to sharing information regarding its means of assessing environmental aspects, developing meaningful environmental objectives and targets, and implementing the environmental programs to achieve superior environmental</p>

	performance, as defined by the environmental objectives and targets.
Supplier/EMS Criteria	NEC will commit to working with suppliers in developing alternatives to current raw material usage that are more environmentally friendly.
NEC's commitment to public awareness.	NEC commits to establishing an interested persons group and to conduct communications in a meaningful way. NEC will also enhance community awareness of its practices and approaches they are taking to reduce pollution. <b>(SECTION VII.)</b>

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## X. POLLUTION LIMITS

With inclusion of those limits identified in Section XI (Operational Flexibility and Variances), NEC commits to abide by all current and future applicable environmental limits. All provisions established in permits or approvals not identified in Part I A. of the Specific Permit Conditions (Appendix C) shall remain in effect.

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## XI. OPERATIONAL FLEXIBILITY AND VARIANCES

### NOTE:

- **Refer to Part I. A of Specific Permit Conditions (Appendix C) prepared by Mary Carter (WDNR Air Engineer)**
- **WDNR has conducted a State Implementation Plan ([Appendix D \(PDF, 57KB\)](#)).**

### NOTE:

- **Neither of the facilities have ever been considered PSD major sources nor have ever been issued PSD permits.**

### Sparta and Holmen

NEC Sparta reduced the amount of VOCs and HAP emissions at its facility (APPENDIX [A \(PDF, 17KB\)](#) and [B \(PDF, 15KB\)](#)) to levels below the "major source" threshold. Current operations and records indicate that the NEC covered facilities operate and emit at levels normally covered by minor source operational and construction air permits requirements.

As part of this agreement NEC Sparta and Holmen facilities will be allowed to operate under the conditions established in Part I A. Specific Permit Conditions (Appendix C.), established in permit No. 632009730-F01 (Holmen), permit No. 642025010-F01 (Sparta), of the year 2002 revised permits for air management operations, until such agreement expires or is terminated under the conditions established in s. 299.80 (7), Wis. Statutes.

To both encourage and facilitate the goals established under Section IX, and in recognition of NEC's past environmental performance, and future commitments to pollution prevention, the WDNR and NEC agree to the following increased flexibility, variances and or approvals, as part of this agreement and pursuant to s. 299.80 (4), Wis. Statutes.

Please refer to PART I A. (Appendix C) Specific Permit Conditions under the Cooperative Environmental Agreement

1. Volatile Organic Compound Emissions

- a. Limitations:
- b. Compliance Demonstration Methods:
- c. Record Keeping and Monitoring Requirements:
- d. Reference Test Methods:

2. Hazardous Air Pollutant Emissions

- a. Limitations:
- b. Compliance Demonstration Methods:
- d. Reference Test Methods:

3. Particulate Matter Emissions

- a. Limitations:
- b. Compliance Demonstration Methods:
- c. Record Keeping and Monitoring Requirements:
- d. Reference Test Methods:

4. Visible Emissions

- a. Limitations:
- b. Compliance Demonstration Methods:
- c. Record Keeping and Monitoring Requirements:
- d. Reference Test Methods:

5. Operational Flexibility

- a. New Equipment Construction and Modification:

6. Facility Wide Reporting Requirements

7. Compliance Testing Requirements

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## **XII. BASE LINE PERFORMANCE EVALUATION AND REPORTING OBLIGATIONS**

Within 180 days of the signing of this Agreement, NEC shall perform a base line performance evaluation utilizing its current environmental management system program. The report will be submitted annually thereafter on April 15 of each year or on another date agreed upon by NEC and the WDNR. This initial performance evaluation shall be performed on the two facilities currently named in this agreement and is to include any future facilities included, as amendment, in this agreement thereafter the agreement is signed. This evaluation will establish a facility environmental baseline, which recognizes and provides credit for NEC activities performed since 1996 (Date of EMS implementation for Sparta), which resulted in minimizing impacts on the environment.

This report shall be shared with the WDNR and the interested persons group. A copy will be made available for public inspection at NEC offices and the public libraries nearest to the community of the facility involved each of the two facilities named in this agreement and, at a minimum, contain the following:

**1. Regarding the Interested Persons Group:**

- Changes in the composition of the interested persons group;
- Summary of assistance and information provided to the interested persons group;
- Summary of meetings with the interested persons group, including dates, attendance lists, topics addressed, and comments received; and
- Results of any action or changes in response to input and feedback from the Interested Persons Group.

**2. Regarding Commitments to Superior Environmental Performance**

- Progress on the implementation of environmental information management system for the Holmen facility;
- The previous years Environmental Objectives and Targets;
- Progress made toward the previous years Environmental Objectives and Targets;
- Current Environmental Objectives and Targets;
- Examples of programs/activities that resulted in waste, energy usage, and/or emissions reductions;
- Summary of facility air emissions and waste generation, as reported in the Annual Emissions Inventory and Hazardous Waste Report;
- Documentation of changes in citizen environmental complaints and satisfaction of complainant that concern has been addressed; and
- Documentation of changes in the status of NEC's environmental compliance.

**3. Regarding Operational Flexibility:**

- Time (days/weeks from submittal to completion) saved in obtaining permits;
- Time saved (hours per month) by the reduction in recordkeeping requirements and administrative requirements;
- Description of the changes in the time required by NEC to manage its air/air permit program;
- Energy savings from avoiding the use of the incinerator.

**4. Regarding Overall Assessment of the Success of the Agreement:**

- Public recognition/awards resulting from the efforts of the Cooperative Agreement and EMS;
- A summary of the annual achievements, difficulties or other challenges associated with fulfilling the agreement;
- An analysis of the suspected reasons for the above mentioned achievements and difficulties or other challenges associated with fulfilling the agreement; and
- A summary of the activities undertaken to improve the performance of the Agreement.

NEC will provide all information in the form of a single report.

NEC and the WDNR agree to meet annually to review the results of this agreement. At a minimum this meeting will include a review of the benefits for both parties, the roadblocks that were encountered, and the means to improve this process.

#### **Interim 6 month Report:**

NEC shall submit a report summarizing the actual, facility wide volatile organic compound and hazardous air pollutant emissions for each consecutive 12 month period every 6 months. The period addressed by the report shall be the 6 month period starting on the date the Cooperative Agreement is signed or other date agreed upon and approved by DNR, U.S. EPA, and NEC, and each subsequent 6 month period thereafter. A copy of this report shall be submitted to the DNR and U.S. EPA within twenty days following the end of the reporting period. If the report shows the actual facility wide volatile organic compound or hazardous air pollutant emissions have exceeded 50 percent of the allowable limitations outlined in the operation permit, the permittee shall provide an explanation why emissions reached the levels that they did and how they intend to ensure emissions will not exceed the allowable limitations over the course of the next 6 month period.

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### **XIII. REPORTING OF VIOLATION**

Any violations discovered as part of the baseline or annual environmental performance evaluation shall be disclosed to WDNR within 45 days of the completion of the evaluation in a report containing the information required under s. 299.80(12), Wis. Stats. WDNR may not take any civil enforcement action on any such reported violations if they are corrected within 90 days of notification, unless the violations present an imminent threat to public health or the environment or may cause serious harm to public health or the environment, or the department discovers the violations before the Company discloses them. This does not exempt the NEC from the requirements for immediate notification contained in s. 292.11, Wis. Stats. or any other provisions of any criminal violations would always be subject to WDNR enforcement action.

If a longer period of time is needed to correct the violations, a compliance schedule can be negotiated and the agreement modified allowing a compliance schedule of up to 12 months.

#### **ENFORCEMENT DEFERRAL.**

WDNR agrees not to commence a civil action to collect forfeitures for violation at NEC facilities covered by this Agreement if those violations are disclosed in a report that meets the requirements of Section XII of this Agreement for at least 90 days after WDNR receives the report. So long as NEC corrects the violations that are

disclosed in such a report within 90 days after WDNR receives the report, WDNR shall not commence a civil action to collect forfeitures for said violations.

If NEC submits a report to WDNR disclosing a violation and a proposed compliance schedule, WDNR may approve the compliance schedule as submitted or propose a different compliance schedule. If NEC and WDNR agree upon a compliance schedule, that schedule shall be incorporated into this Agreement without formal amendment.

Notwithstanding anything else in this Agreement, WDNR may commence a civil action at any time to collect forfeitures for violations which: (1) present an imminent threat to public health or the environment or may cause serious harm to public health or the environment; or (2) WDNR discovers the violations before NEC submits a report disclosing such violations.

#### **AMENDMENT OR REVOCATION OF AGREEMENT. CONFIDENTIAL INFORMATION.**

Notwithstanding any other provision in this Agreement, included but not necessarily limited to Sections XII, XIII, XIV and XV, WDNR will take all steps to protect NEC's confidential business information to the maximum extent provided by law. In this regard, NEC will designate confidential business information pursuant to Wis. Admin. Code § NR 2.19; Wis. Stat. §§ 285.70, 291.15, 289.09, 101.598, 134.90(5) and 905.08; and any other common law or statute providing for protection of confidential information. This Agreement shall not constitute a waiver by NEC of any such privilege that it currently or may hold over confidential business information, trade secrets or other privileged communications.

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#### **XIV. APPLICABLE LAW.**

The laws of the State of Wisconsin shall govern this Agreement. Furthermore, the rights, obligations and liabilities of the signatories to this Agreement shall be determined under principals of general contract law.

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#### **XV. FACILITY LIAISON AND ADDRESSES**

NEC and WDNR shall each appoint a representative from their respective organizations to serve as a liaison under this Agreement. All correspondence and communications between the parties shall be directed to the then designated liaisons.

The WDNR liaison shall have an intimate knowledge of NEC operations as well as a working familiarity with the coating industry and those activities associated with coating operations that have the potential to affect the environment. The WDNR liaison shall also have working knowledge of non-environmental regulatory matters that affect the coating industry or manufacturing businesses in general.



The current liaisons for NEC and the WDNR are listed below. Changes in each organization's liaison or their associated addresses shall be forwarded to the other party once effective and will become part of this Agreement without formal amendment.

Mark Harings  
Environmental Assistance Coordinator  
Wisconsin Department of Natural Resources  
1300 W. Clairemont Avenue  
Eau Claire, WI 54702-4001  
(715) 831-3263

Randy Nedrelo  
Solid and Hazardous Waste Manager  
Northern Engraving Corporation  
803 S. Black River Street  
Sparta, WI 54656  
(608) 269-6911

IN WITNESS WHEREOF, the parties by the undersigned signatories, cause this Agreement to be executed on the aforementioned date. Each signatory represents that they have authority to bind their principals for purposes of this Agreement.

IN WITNESS WHEREOF, the parties by their signatures shall cause this agreement to be executed on the date specified.

Signed for and on behalf of:

STATE OF WISCONSIN  
DEPARTMENT OF NATURAL RESOURCES

By: /s/ Darrell Bazzell Date: 6/10/02

Darrell Bazzell  
Secretary

Signed for and on behalf of:

NORTHERN ENGRAVING CORPORATION

By: /s/ Philip M. Gelatt Date: 6/10/02

Philip M. Gelatt  
President